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March 31, 2010

***Via Electronic Mail***

Allison I. Brown, Esq.  
Division of Financial Practices  
United States Trade Commission  
Washington, DC 20508

**Re: The FTC's Rulemaking Regarding the  
Telemarketing Sales Rule – Debt Relief Amendments**

Dear Ms. Brown:

I have taken the liberty of writing you on behalf of USOBA in response to the staff's invitation to provide further information that might assist the Commission in its consideration of the debt relief issues presented by the proposed rulemaking.

As we have noted in our filed Comments in this proceeding, data indicate that harassment by creditors and debt collectors is one of the chief reasons that consumers do not successfully complete debt settlement plans. Other information compiled by the Better Business Bureau, many state attorneys general, and the Commission itself confirms that creditor and debt collection harassment is one of the top consumer complaints. For example:

- The 2009 FTC Annual Complaint Report contains the following rankings of sources of consumer complaints: Third Party and Creditor Debt Collection, #2, Credit Cards, #7, Banks and Lenders, #10, and Debt Management and Credit Counseling, #19. *Consumer Sentinel Network Data Book, Jan.-Dec. 2009*, p. 6, available at <http://www.ftc.gov/sentinel/reports/sentinel-annual-reports/sentinel-cy2009.pdf>.

- The 2008 FTC Annual Complaint Report contains the following rankings of sources of consumer complaints: Third Party and Creditor Debt Collection, #2, Banks and Lenders, #9, Credit Cards, #18, and Debt Management and Credit Counseling, #24. *Consumer Sentinel Network Data Book, Jan.-Dec. 2008*, p. 6, available at <http://www.ftc.gov/sentinel/reports/sentinel-annual-reports/sentinel-cy2008.pdf>.

- U.S. Better Business Bureau statistics show that in both 2008 and 2009, banks ranked 3rd, collection agencies 6th, and credit card companies 15th in overall consumer complaints. Debt settlement companies ranked 117th in 2009 and were not on the list in 2008. <http://www.bbb.org/us/Consumer-Complaints/Statistics/>

- The National Association of Attorneys General listed Debt Collection as the top consumer complaint, with Credit Cards tied for 4<sup>th</sup> place. See <http://www.naag.org/top-10-list-of-consumer-complaints-for-2008-aug.-31-2009.php>.

We urge the Commission to refrain from adopting a rule that would unduly restrict the fees of debt settlement companies and thereby result in an even greater shift of power to creditors and debt collectors. Such a rule would handicap the ability of debt settlement companies to advocate for consumers and would prove to be highly anti-consumer.

Thank you very much for your consideration of this letter.

Sincerely,

/s/ Jonathan S. Massey  
On Behalf of USOBA